



---

**West Virginia  
State Agency Workers' Compensation  
(SAWC)  
Annual Report**

**August 2024**



Allan L. McVey  
Insurance Commissioner





STATE OF WEST VIRGINIA  
*Offices of the Insurance Commissioner*

---

**Allan L. McVey**  
Insurance Commissioner

August 15, 2024

The Honorable Jim Justice  
Governor of the State of West Virginia  
State Capitol  
Charleston, WV 25305

Dear Governor Justice:

The State Agency Workers' Compensation (SAWC) Annual Report for the fiscal year 2024 is hereby submitted in accordance Chapter 33, Article 2, Section 21A, of the Code of West Virginia. An Executive Summary immediately follows this memorandum.

The information contained in this report reflects the economic importance and current financial condition of the state agency workers' compensation program in our state. The data provided as part of this report is the most recent policy year data available and includes loss and premium information for participating state agencies. An exhibit of the state agencies covered by the SAWC program is included at the end of this report.

Respectfully submitted,

Allan L. McVey  
CPCU, ARM, AAI, AAM, AIS  
Insurance Commissioner



## STATE AGENCY WORKERS' COMPENSATION (SAWC) PROGRAM EXECUTIVE SUMMARY

As the State Agency Workers' Compensation Program (SAWC) entered its fourteenth policy year in 2024, the Program continues to experience decreased frequency while severity continues to be volatile from year to year. The Program currently includes 98 agencies, boards and commissions with nearly 900 locations across the state. It is estimated that approximately 25,000 public employees are covered under this consolidated policy.

As the plan administrator, the West Virginia Offices of the Insurance Commissioner (WVOIC) continually monitors and evaluates loss trends and exposures to determine if they are being properly addressed as well as makes safety recommendations to help mitigate workplace injuries. Encova Insurance has been the workers' compensation coverage provider since July 1, 2017 and has dedicated staff for safety services, claims adjusters and underwriting personnel. The WVOIC, Encova and all participating state agencies work together collectively to ensure public employees have a safe workplace environment and if injured, receive the best care possible throughout their claim.

### SAFETY AND RETURN TO WORK INITIATIVES

---

Many of the SAWC Program members have welcomed the safety initiatives and have worked diligently in implementing suggestions for improvement from the Encova and WVOIC safety professionals. These initiatives include:

- Establishing safety committees
- Establishing transitional work assignments that provide employees the opportunity to return to work on a limited basis (Return to Work Program)
- Incident and accident investigation training
- Defensive drivers' training
- Developing Emergency Action Plans
- Workplace violence training
- Enhanced patient observation by using cameras to reduce workplace violence
- Industrial hygiene studies were completed to address noise and air quality
- Industrial hygiene survey was completed related to airborne contaminants
- BRIM and OIC site visits to agencies to discuss strategies for reducing Motor Vehicle Accidents
- Personal protective equipment training
- Hazardous material training

## SAFETY VISIT SUMMARY

---

Safety visits and evaluations continue to play an important role in all aspects of the SAWC Program. When the SAWC policy was covered by Encova in 2017, all agencies were visited by a safety professional. After the initial visits to all agencies and the follow-up reports were evaluated, safety resources were focused on agencies with a higher frequency and severity of losses. This directed approach allows Encova and the OIC to ensure resources are available to agencies that experience losses rather than those with no past losses. We notify all agencies, boards and commissions that safety services are available to them for no additional premium and encourage them to use safety resources that best meet their needs.

The table below outlines the number of visits performed by policy year by Encova safety teams as well as the WVOIC.

Policy Year	Number of Visits
2017 - 2018	200
2018 - 2019	173
2019 - 2020	161
2020 - 2021	84
2021 - 2022	163
2022 - 2023	160
2023 - 2024	158
<b>Total</b>	<b>1,664</b>

Many state agencies have already implemented safety programs or are in the process of implementing safety committees, policies, and procedures. Some notable safety initiatives that have been developed and implemented include:

- **Department of Health and Human Resources** – Workplace Violence Prevention Training, Return to Work Program, and installation of video cameras in some locations. The agency is conducting weekly employee injury meetings in an effort to prevent injuries. The DHHR reorganization into three (3) separate departments is noted but has not affected the OIC administration process. We will work together with departments to ensure safety and return to work policies will remain the focus.
- **Department of Veterans Assistance** – Workplace Violence Prevention Training and Return to Work Program.
- **Department of Military Affairs** – The Division of Corrections, Division of Juvenile Services and the Regional Jail and Correctional Facility Authority have combined resources in the past to focus on workplace and employee safety programs by forming a multi-Agency Shared Services Committee on Safety, Workplace Violence Prevention Training, and Return to Work Programs. Effective July 2018, HB 4338 merged these agencies into a single entity called the Department of Corrections and Rehabilitation (DCR). DCR will share a centralized safety and health program and return-to-work program. DCR has hired a return-to-work coordinator and is considering expanding its safety department.
- **Division of Highways** – Slip, Trip and Fall Training, Confined Space Training, Silica Training, and additional OSHA training. DOT is also conducting additional training for safety in construction zones.

The WVOIC has worked extensively with state agencies to develop Return to Work programs. The Return-to-Work programs have been finalized and implemented by several agencies. SAWC agencies have implemented functional Return to Work programs and continue to look for ways to improve the process for returning injured workers to the workplace. This is a critical area of success for the program and all agencies are encouraged to focus on implementing and maintaining an effective return to work program. The WVOIC is continuously monitoring the success of the program and is providing support to agencies that face challenges related to return-to-work program implementation.

### SAWC EXPERIENCE RATING FACTOR (EMOD)

An experience rating factor (emod) is an industry standard calculation that compares a policy's expected losses to actual losses for a three (3) year period. An emod can increase or decrease premium based on a policy's loss experience. If an insured has actual losses that are greater than the expected losses, a debit emod is applied to the policy. If an insured has fewer actual losses than expected losses, a credit emod is applied. The chart below illustrates how an experience rating factor impacts final premium.

Premium Component	Agency A	Agency B
Payroll	\$1,000,000	\$1,000,000
Rate	\$3.50	\$3.50
Manual Premium	\$35,000	\$35,000
Experience Rating Factor	1.10	0.90
Modified Premium	\$38,500	\$31,500
Schedule Rating Credit	25%	25%
Standard Premium	\$28,875	\$23,625

The overall program loss experience is cyclical but the experience from 2018 to current has less variation and is more consistent or flat in trend analysis than in prior years. The OIC is monitoring emod trends and is working with Encova to ensure the safety of all state employees remains the number one priority.

The chart below shows the experience rating factor progression throughout the SAWC Program for the most recent policy years.



The aggregate policy emod is shown in the preceding chart and individual agency emods are calculated to allocate the premium by the risk and loss experience for each participating state agency in the SAWC program.

For the July 2024 policy, the individual agency emods summary is as follows:

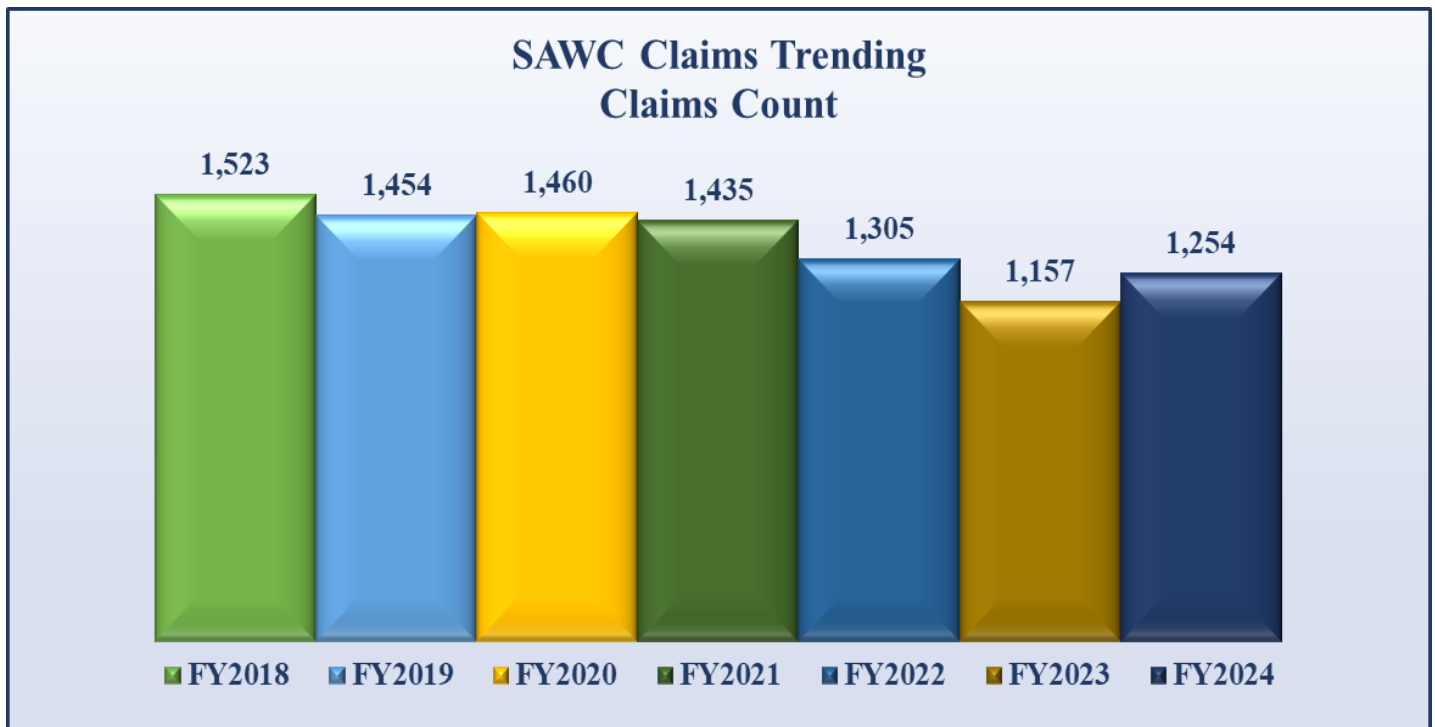
Emod Range	Agency Count
Less than 1.00	31
Equal to 1.00	53
Greater than 1.00	14

The agencies with the lowest emods are the Department of Environmental Protection (0.54) and DHHR (0.60). The agencies with the highest emods are Bureau of Juvenile Services (2.04) and Mildred Mitchell Bateman Hospital (1.86).

### SAWC CLAIMS SUMMARY

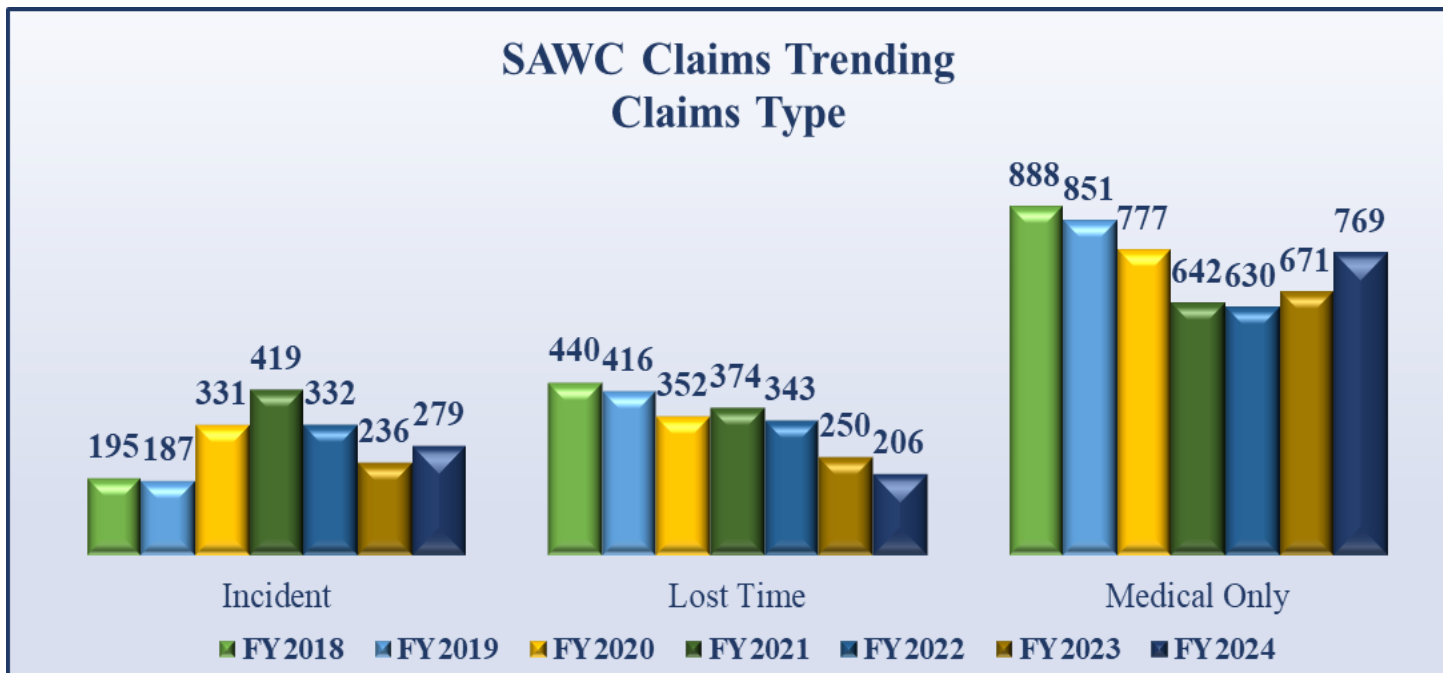
As of June 30, 2024, there have been 9,588 SAWC claims submitted to Encova with dates of injury between July 2017 through June 2024.

The charts below represent claims trending analysis by fiscal year:

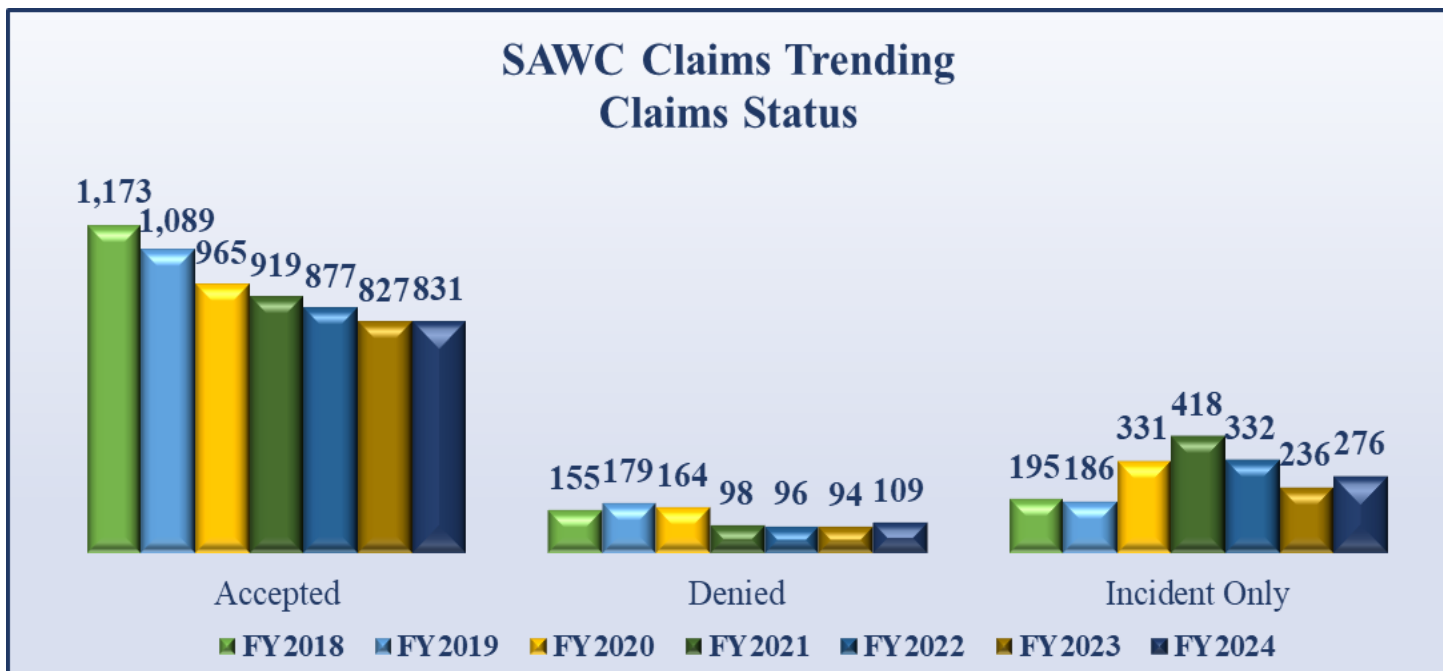


There are currently 403 (4.4%) open claims while 9,185 (95.8%) are closed claims.

Of the 9,588 total claims reported to Encova 1,979 (20.6%) have resulted in being closed with no payments (incidents); 2,381 (24.8%) are lost time requiring wage replacement benefits and 5,228 (54.5%) are medical only claims requiring medical payments but no lost wage replacements.

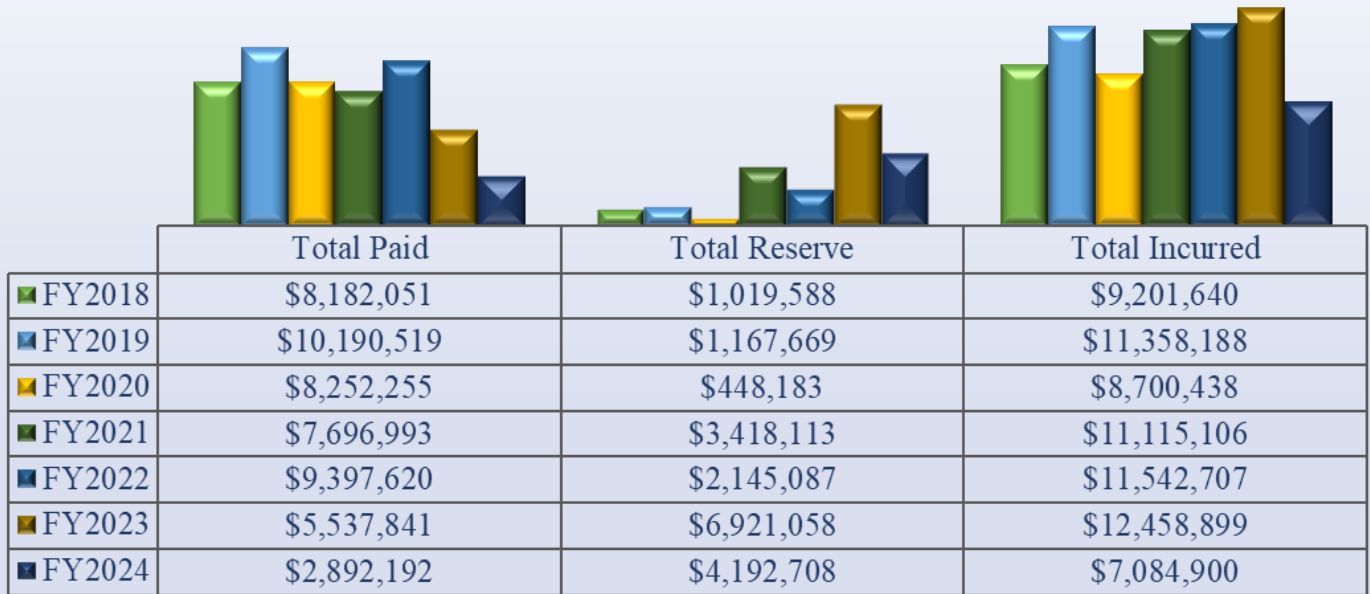


Of the total claims reported, 70% are accepted (compensable), 9% are denied, 21% are incident only and 38 are pending decision (not shown on chart). The incident count may not match the incident claim type above because a reported incident could still be denied or in pending status.





## SAWC Claims Trending Claims Cost



As indicated by the trending charts, the SAWC Program realized decreasing frequency over the last few years with a slight increase in total claims reported for FY2024. However, if you compare the accepted/compensable claim count to previous years, the frequency increase is minimal compared to the overall total claims reported increase. Lost time claims frequency is 16.4% of all reported claims but accounts for 86.5% of total costs. As these are the most expensive claims, it is notable that the lost time claim count decreased by more than 40 claims in FY2024.

The severity continues to be volatile with significant fluctuations. Severity is defined as total paid plus total reserve = total incurred costs. Incurred costs include lost time wage replacement benefits, medical expenses and Encova expense costs for nurse case managers, litigation, qualified rehabilitation professionals, etc.

The severity increased from FY2018 to FY2019 resulting in a 23.4% increase due to large loss claims. In an odd coincidence, the FY2020 the incurred severity decreased the same 23.4% over the FY2019 results even with a slightly higher frequency. Severity again increased in FY2021 due to several large loss claims; two of those claims being fatalities from COVID-19 that total \$2.9M incurred costs. FY2022 and FY2023 both increased in severity for a total of 11.8%. FY2024 current value is the lowest total incurred to date with Encova, but it is prudent to note that a claimant has six (6) months to file a claim and that the initial incurred costs are undeveloped and may result in higher or lower costs throughout the life of the claim.



To see the effect of the severity of claims, the table below shows the frequency and severity by range for all SAWC reported claims between July 1, 2017 through June 30, 2024. The lowest incurred cost range accounts for 84.3% frequency but only 6.0% severity while the largest range accounts for only 0.2% of the total claim count but 21.4% of the overall claim costs.

While the  $\geq \$250,000$  incurred cost claims have more than \$15M total incurred costs, due to the deductible limit and policy structure, the State accepts liability of up to \$4.25M (17 x \$250,000) while Encova pays all additional claim costs above the deductible limit.

Incurred Cost Range	Claim Count	% of Total Claims	Total Incurred	% of Total Incurred
\$0 - \$4,999	8,081	84.3%	\$4,252,195	6.0%
\$5,000 - \$9,999	314	3.3%	\$2,234,117	3.1%
\$10,000 - \$24,999	485	5.1%	\$8,097,947	11.3%
\$25,000 - \$49,999	358	3.7%	\$12,609,724	17.6%
\$50,000 - \$74,999	179	1.9%	\$10,922,758	15.3%
\$75,000 - \$99,999	73	0.8%	\$6,254,149	8.8%
\$100,000 - \$249,999	81	0.8%	\$11,822,153	16.5%
$\geq \$250,000$	17	0.2%	\$15,268,835	21.4%
<b>Total</b>	<b>9,588</b>	<b>100.0%</b>	<b>\$71,461,878</b>	<b>100.0%</b>

## LARGE LOSSES AND FATALITIES

As previously reported, the SAWC policy continues to be affected by large loss and fatality claims.

There are currently 17 claims in excess of the \$250,000 deductible per claim limit. These 17 claims have a total incurred cost of \$15,268,835 or 21.4% of the aggregate costs of the entire SAWC program. A summary of the claims is provided in the table below.

Accident Category	Total Incurred
Motor Vehicle*	\$3,442,392
Pandemic - COVID*	\$1,732,698
Pandemic - COVID*	\$1,157,653
Radiation	\$1,155,935
Motor Vehicle	\$1,081,230
Caught In, Under or Between, NOC	\$944,612
Motor Vehicle*	\$863,844
Absorption, Ingestion or Inhalation	\$796,522
Struck or Injured By*	\$722,263
Absorption, Ingestion or Inhalation	\$623,767
Fall, Slip or Trip	\$535,691
Motor Vehicle	\$472,965
Fall, Slip or Trip	\$472,822
Fall, Slip or Trip	\$364,088
Dust Disease - Lungs	\$334,283
Struck or Injured By	\$300,541
Animal or Insect - Tick	\$267,530
<b>17 Claims</b>	<b>\$15,268,835</b>

\*Fatalities

There are seven (7) compensable fatalities in the SAWC program. Five (5) of the fatal claims are indicated above in the large loss categories and the remaining two (2) have a total incurred of \$18,796. There are two (2) additional fatalities that are incident only status. The OIC is incredibly saddened by the loss of fellow state employees. It is our number one priority to prevent workplace accidents so that each and every state employee goes home safely at the end of each day.

## CONCLUSION

---

The SAWC Program has a complex workforce performing tasks that at times place employees in danger. Our employees are our greatest asset, and their safety is of the utmost importance. Safety policies and procedures have been developed for employees to follow to reduce these risks. Efforts have been made in all agencies to ensure that policies and procedures are in place and are being followed by all employees to prevent or minimize workplace injuries.

Major training campaigns will continue throughout 2024 and into 2025 for motor vehicle accident (MVA) prevention strategies, defensive driving training, Return-to-Work Implementation, workplace violence, sprain, and strain reduction as well as fall prevention.

The OIC has partnered with BRIM in a shared services approach to provide motor vehicle accident (MVA) prevention techniques and strategies to agencies with a goal of reducing the frequency and severity of MVAs. MVAs account for 400 of the total 9,588 claims or 4.2% of the overall frequency. Those 400 claims account for \$8,417,821 of the total incurred costs or 11.8% of the overall severity in the SAWC program. The costs paid by BRIM for liability and physical damage of the motor vehicles are unknown but are likely significant expenditures for the State.

The SAWC Program will conduct the Annual Conference in 2024 at Encova Headquarters in Charleston, West Virginia. This year's conference will offer a virtual attendance option and an in-person option. This will be the tenth conference available to agency attendees throughout the history of the program. Information presented during the conference generally includes claims reporting, safety and risk management, claim management, accident investigation, return to work, and a variety of topics pertinent to the administration of the program. The information presented during the conference will be available to all members of the SAWC through the dedicated SAWC website administered by the OIC: [www.wvinsurance.gov/SAWC](http://www.wvinsurance.gov/SAWC)

## PARTICIPATING STATE AGENCIES

---

State Agency Name
ADJUTANT GENERAL
AIR & ENVIRONMENTAL QUALITY BOARD
ALCOHOL BEVERAGE CONTROL ADMINISTRATION
ATTORNEY GENERAL'S OFFICE
AUDITORS OFFICE
BOARD OF ACCOUNTANCY
BOARD OF ARCHITECTS
BOARD OF CHIROPRACTIC EXAMINERS
BOARD OF COAL MINE HEALTH & SAFETY
BOARD OF DENTISTRY
BOARD OF EXAMINERS FOR REGISTERED PROF NURSES
BOARD OF EXAMINERS IN COUNSELING
BOARD OF EXAMINERS OF PSYCHOLOGISTS
BOARD OF OPTOMETRY
BOARD OF PHARMACY
BOARD OF PHYSICAL THERAPY
BOARD OF PROFESSIONAL SURVEYORS
BOARD OF REG FOR PROF ENGINEERS
BOARD OF RESPIRATORY CARE
BOARD OF SOCIAL WORK
BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY
BOARD OF VETERINARY MEDICINE
BUREAU OF JUVENILE SERVICES
BUREAU OF SENIOR SERVICES
CIVIL AIR PATROL
CIVIL CONTINGENT FUND
COURTHOUSE FACILITIES IMPROVEMENT AUTHORITY
DEPARTMENT OF ADMINISTRATION
DEPARTMENT OF AGRICULTURE
DEPARTMENT OF ARTS, CULTURE AND HISTORY
DEPARTMENT OF COMMERCE
DEPARTMENT OF CORRECTIONS
DEPARTMENT OF ECONOMIC DEVELOPMENT
DEPARTMENT OF EDUCATION
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
DEPARTMENT OF TOURISM
DEPARTMENT OF VETERANS ASSISTANCE

State Agency Name
DHHR SECRETARY'S OFFICE
DIVISION OF ADMINISTRATIVE SERVICES
DIVISION OF EMERGENCY MANAGEMENT
DIVISION OF FINANCIAL INSTITUTIONS
DIVISION OF FORESTRY
DIVISION OF HIGHWAYS
DIVISION OF JUSTICE AND COMMUNITY SERVICES
DIVISION OF LABOR
DIVISION OF MOTOR VEHICLES
DIVISION OF MULTIMODAL FACILITIES
DIVISION OF NATURAL RESOURCES
DIVISION OF PROTECTIVE SERVICES
DIVISION OF PUBLIC TRANSIT
DIVISION OF REHABILITATION SERVICES
ECONOMIC DEVELOPMENT AUTHORITY
EDUCATIONAL BROADCASTING AUTHORITY
ENTERPRISE RESOURCE PLANNING BOARD
GEOLOGICAL-ECONOMIC SURVEY
GOVERNOR OF WEST VIRGINIA
HEALTHCARE AUTHORITY
HOMELAND SECURITY CABINET SECRETARY
HOPMONT HOSPITAL
HOSPITAL FINANCE AUTHORITY
HUMAN RIGHTS COMMISSION
INSURANCE COMMISSIONER
JACKIE WITHROW HOSPITAL
JOHN MANCHIN SR HEALTH CARE CENTER
LAKIN STATE HOSPITAL
LOTTERY
MASSAGE THERAPY LICENSURE BOARD
MEDICAL IMAGING & RADIATION THERAPY TECHNOLOGY BOARD OF EXAMINERS
MILDRED MITCHELL BATEMAN HOSPITAL
MILITARY AUTHORITY
MUNICIPAL BOND COMMISSION
MUNICIPAL PENSIONS OVERSIGHT BOARD
NATIONAL COAL HERITAGE AREA AUTHORITY
NURSING HOME ADMINISTRATORS LICENSING
OFFICE OF MINERS HEALTH SAFETY AND TRAINING
OFFICE OF MINORITY AFFAIRS
OFFICE OF TAX APPEALS

State Agency Name
OIL & GAS CONSERVATION COMMISSION
RACING COMMISSION
REAL ESTATE APPRAISER LICENSING & CERTIFICATION BOARD
REAL ESTATE COMMISSION
REGIONAL JAIL & CORRECTIONAL FACILITY
REVENUE CABINET SECRETARY
SCHOOLS FOR THE DEAF & THE BLIND
SECRETARY OF STATE
SENATE
SOLID WASTE MANAGEMENT BOARD
STATE BUDGET OFFICE
STATE FIRE COMMISSION
STATE POLICE
STATE RAIL AUTHORITY
STATE TAX DEPARTMENT
TREASURER'S OFFICE
VOLUNTEER WV
WATER DEVELOPMENT AUTHORITY
WELCH EMERGENCY HOSPITAL
WILLIAM R SHARPE JR HOSPITAL
WORKFORCE WV